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SURFACE TRANSPORTATION BOARD

February 2, 2007

ATTORNEYS AT LAW

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PERSONAL AND CONFIDENTIAL

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Re: Memorandum of Security Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Security Agreement dated as of December 31, 2006, a primary document as defined in the Board's Rules for the Recordation of Documents.

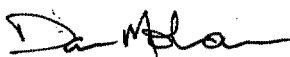
The names and addresses of the parties to the enclosed document are:

Borrower: Isla Largo, LLC
c/o Edwin E. Ellis
Iowa Pacific Holdings
118 So. Clinton St. # 300
Chicago, IL 60661

Lender: Clark E. Johnson
5567 Steeplechase Drive
Waunakee, Wisconsin 53597

A description of the railroad car covered by the enclosed document is: railroad business car "Caritas", bearing car number PPCX800045, built in 1948 for SL&SFRY as "Pierre La Clere." Also enclosed is a check in the amount of \$33.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return stamped copies of the enclosed document to me in the stamped, self-addressed envelope provided.

Very truly yours,



Daniel G. Mohan

Enclosures

cc: Clark E. Johnson (w/enc.)

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TALLAHASSEE
TAMPA
TOKYO
WASHINGTON, D.C.

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MEMORANDUM OF SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

Memorandum of Security Agreement made and entered into on December 31, 2006 by and between ISLA LARGO, LLC, having its principal place of business at c/o Iowa Pacific Holdings, 118 So. Clinton St. # 300, Chicago, IL 60661 ("Debtor") and Clark E. Johnson, having his principal residence at 5567 Steeplechase Drive, Waunakee, Wisconsin 53597 ("Secured Party").

WITNESSETH:

The undersigned have entered into that certain Security Agreement dated as of December 31, 2006, whereby in consideration for a promissory note in the amount of \$200,000, the Debtor has granted to the Secured Party a first priority security interest in the Collateral as defined in such agreement, including without limitation, the Debtor's interest in that certain railroad business car "Caritas", bearing car number PPCX800045, built in 1948 for SL&SFRY as "Pierre La Clere."

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum of Security Agreement to be duly executed by their respective officers thereunto duly authorized, as of the date first above written.

ISLA LARGO, LLC

By: 

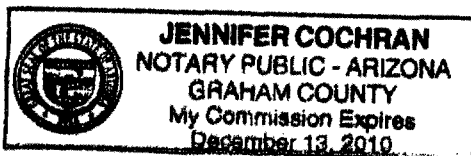
Edwin E. Ellis, President

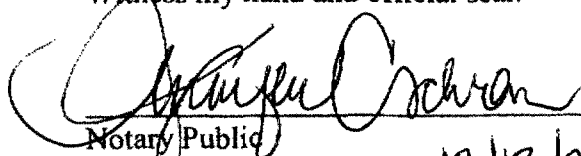
ACKNOWLEDGEMENT


STATE OF Arizona)
COUNTY OF Graham) ss.

On January 26, 2007, before me, Edwin E. Ellis, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity and that by his signature on the instrument, the person or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.




Notary Public
My commission expires: 12/13/2010



Clark E. Johnson

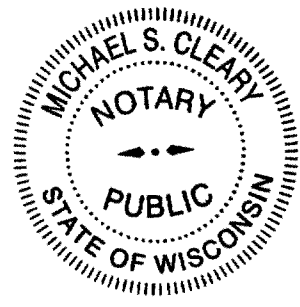
ACKNOWLEDGEMENT

STATE OF Wisconsin)
COUNTY OF DANE) ss.

On JANUARY 29, 2007 before me, Clark E. Johnson, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity and that by his signature on the instrument, the person or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.


Notary Public
My commission expires: 4/01/2007



CERTIFICATION

I, Daniel G. Mohan, attorney licensed to practice in the State of Wisconsin, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: February 2, 2007

Daniel G. Mohan
Daniel G. Mohan